provides no evidence to support its assignment of fault. Indeed, its assertion of fault is highly dubious given that almost all CLECs had a high percentage of orders rejected (id.; King Decl. ¶ 135); at a minimum the fact that the same problems beset almost all CLECs suggests that BellSouth failed to give CLECs the guidance they need about how BellSouth's systems operate. Regardless of fault, however, what is clear is that there have been and are likely to continue for some time to be a high number of rejects. King Decl. ¶ 135. As a result, the manual processing and faxing of all rejects is likely to significantly delay completion of many orders.

These same difficulties do not, of course, beset BellSouth's retail orders. In its retail operation, when orders are rejected by its back end systems, BellSouth electronically notifies its employees who work the rejects. King Decl. ¶ 132. BellSouth has presented no data on how long this notification process takes but it is almost certainly relatively instantaneous.[7] BellSouth also has failed to present data on the length of time it takes to process and transmit rejects to CLECs, see King Decl. ¶ 133, but this manual process certainly takes much longer than BellSouth's internal process and the length of time is likely to increase with increased volumes.

2. BellSouth's Manual Return of Service Jeopardies is Discriminatory.

BellSouth also processes and transmits one of two major categories of jeopardy notifications manually. Jeopardy notifications inform the CLEC that BellSouth will not turn up a customer's service on the date that BellSouth had promised. Jeopardies are important because

[7] Ameritech's failure to submit comparative data on the length of time it took to provide FOCs to itself and to CLECs led this Commission to state that it expected such data to be submitted in future applications. See Michigan Order ¶ 187. BellSouth ignores this command. It fails to submit comparative data not only for rejects, but also for FOCs, jeopardies, and completion notices. See King Decl. ¶¶ 132, 140, 141.

they enable a CLEC to inform its customer that service will not be turned up on the promised date -- notification that customers expect. King Decl. ¶ 139. In addition, when the customer calls the CLEC to complain that service was not turned up, a CLEC that has not received a jeopardy notification will be unable to explain to the customer why the customer's service has not been turned up. Id.

BellSouth should return jeopardies in an automated fashion through EDI. BellSouth has agreed to this for one of two major categories of jeopardies -- missed appointment jeopardies, e.g., jeopardies caused when the customer is not at home on the date that service is supposed to be turned up. King Decl. ¶ 138. But BellSouth has not agreed to this with respect to service jeopardies, e.g., jeopardies caused when BellSouth learns that it lacks the facilities or manpower to turn service up on the promised date. King Decl. ¶¶ 137, 139. Instead, BellSouth intends to notify CLECs of service jeopardies via a phone call. Id. ¶ 139. Again, this is so even though MCI shared with BellSouth specifications to enable BellSouth to provide service jeopardies via EDI. Id. ¶ 136.

The manual return of service jeopardy notifications is almost certain to significantly delay the return of jeopardies in many cases past the date when the customer's service was supposed to be turned up. Indeed, with respect to the orders MCI has submitted to date, BellSouth has generally failed to return jeopardies at all even though it has frequently missed the due date it promised. See King Decl. ¶ 139. This is discriminatory. BellSouth has submitted no data on how long it takes to return (or how often it returns) jeopardies to CLECs. Id. ¶ 140. Nor has BellSouth submitted any data on how long it takes to return jeopardies in its retail operation. Id. But, even if it were not BellSouth's burden of proof -- which it is -- to show parity in return of jeopardies, it is

certain that BellSouth's return of jeopardies in its retail operation is faster than its return of jeopardies to CLECs. In its retail operation, BellSouth returns jeopardies in an automated fashion to its customer service representatives who then call the customers. For CLECs, BellSouth also returns the jeopardies to its customer service representatives in an automated fashion, but these representatives must then call the CLECs, who then must in turn call their customers. In other words, one phone call is required to notify a BellSouth customer, two phone calls are required to notify a CLEC customer. King Decl. ¶ 140. This is not parity.

3. BellSouth's Manual Return of Loss Notifications Is Discriminatory.

BellSouth intends to provide CLECs with "loss notifications" via letters sent through the United States mail. See King Decl. ¶¶ 95, 186. Loss notifications are used to inform CLECs that one of their customers has switched to another carrier. If, for example, an MCI local customer switches back to BellSouth, a loss notification is the only way that MCI will receive notice of the change. See King Decl. ¶ 186. If BellSouth notifies MCI by sending a letter, MCI will continue to believe the customer is its customer during the days in which the letter is in the mail. See King Decl. ¶ 187. As a result, MCI might well bill the customer for those days of service -- resulting in exactly the sort of double billing situation that troubled this Commission in Ameritech's Michigan filing. See King Decl. ¶ 187; Michigan Order ¶ 203. In addition, MCI would not know to attempt to win-back this customer until MCI receives the letter. See King Decl. ¶ 187.[8] In contrast, BellSouth will be able immediately to attempt to win back its customers who switch to a CLEC,

[8] It is important to contrast a proper attempt to win back customers after they have switched carriers from BellSouth's improper attempts to misuse information only it possesses, as the incumbent, to retain customers before they are switched to competitors. See Part VII(A) below.

because BellSouth, as the carrier which actually makes the switch, will instantly receive the equivalent of a loss notification. Indeed, BellSouth has indicated its intention to send win-back letters immediately after a customer switches to a CLEC. See King Decl., Attachment 42.

BellSouth could easily avert this discrimination. As with rejects and jeopardies, MCI shared with BellSouth specifications to enable it to provide notifications of competitive disconnects via EDI. See King Decl. ¶ 186. As with rejects and jeopardies, however, BellSouth chose to maintain its competitive advantage over CLECs, in this case by providing notification of disconnects through the mail.

4. BellSouth's Failure to Notify CLECs When Their Customers Change PICs is Discriminatory.

BellSouth does not provide any notice to CLECs when one of their local customers changes its interexchange carrier. If, for example, an MCI local customer switches from AT&T to Sprint as its interexchange carrier, BellSouth does not notify MCI even though it is BellSouth that processes the change. See King Decl. ¶ 188. As a result, CLECs -- unlike BellSouth -- cannot tell their customers the identity of their interexchange carrier. Id.

More troublesome still is that it will be very difficult for a CLEC to pass charges for changing primary interexchange carriers through to its customers. Id. When a BellSouth retail customer changes interexchange carriers, BellSouth charges that customer a fee for doing so. But when a CLEC's customer changes interexchange carriers, it is the CLEC, not the CLEC's customer, that BellSouth will bill for the PIC change. This is because the CLEC is officially the customer of BellSouth. Parity can only be achieved, therefore, if the CLEC can pass the PIC change charge on to its customer, so that its customer, like BellSouth's customer, pays the charge.

But in order to do this, the CLEC must know that the customer has changed PICs. Because BellSouth refuses to notify CLECs of this change -- at least without the submission of a completely unnecessary bona fide request, the CLEC only becomes aware that the customer has changed PICs when the CLEC is billed for the PIC change as part of its general monthly bill. Use of this monthly bill to pass on PIC change charges is a cumbersome and expensive process which requires going through the bill to pull out customer specific information. Id. It will also cause significant customer dissatisfaction as the CLEC cannot bill the customer for the PIC change charge until the CLEC has received its monthly bill and then sent out a bill to the customer. Id.

5. BellSouth's Manual Ordering Processes Are Discriminatory.

BellSouth's ordering processes also are insufficiently automated. BellSouth claims to have automated ordering for resold POTS orders but not orders for unbundled elements or complex services.

Even for POTS orders, BellSouth's processes are not sufficiently automated. BellSouth's own data shows that only 24% of orders flowed through in July and 34% in August. (Stacy I Aff., ex. WNS-41). Although BellSouth claims that after adjusting its data for CLEC-caused errors the "adjusted flow-thru" was 91% in August, one month's worth of data based on BellSouth's assessment of which errors were caused by CLECs, an assessment that is highly dubious as discussed above, is hardly adequate to show sufficient flow through. See King Decl. ¶ 117. BellSouth admits that even "adjusted" flow through was only 58% as late as July. Stacy I Aff., ex. WNS-41. Moreover, even BellSouth's dubious 91% figure is not sufficient flow through. This Commission suggested a relevant benchmark for assessing flow through was the percentage of retail orders rejected by the BOC's own back end systems (Michigan Order ¶ 178); BellSouth fails

to provide data showing this percentage. In any case that percentage is almost certainly lower than 9%. See King Decl. ¶ 118.

BellSouth does not even claim to have automated ordering for unbundled elements (UNEs). Although BellSouth does claim that orders for some UNEs (loop, port, interim local number portability, loop plus interim number portability) can be ordered through EDI, and that a limited number of other infrastructure type UNEs (trunking is the only example provided by BellSouth) (Stacy I Aff. ¶ 60) can be ordered through its EXACT interface, even these UNEs drop out for manual processing on BellSouth's side of the interface. See King Decl. ¶ 126.[9] All other UNEs must be ordered manually. Id. ¶ 127. BellSouth forthrightly acknowledges that it has not designed its OSS to handle basic combinations such as loop plus port (which BellSouth calls "platform"), even though the Commission required it to provide these combinations at the time BellSouth submitted its application. BellSouth Br. at 28-29. Thus, as of the time of the filing, no unbundled element could be ordered in a fully automated fashion.

Given this Commission's instruction that a BOC's OSS must support all modes of competitive entry, BellSouth's OSS is clearly deficient. This Commission found Ameritech's OSS deficient because a high percentage of its resale orders dropped out for manual processing. BellSouth has automated a far smaller percentage of UNE orders than Ameritech had automated

[9] BellSouth promises to provide automated flow through in early October for the UNES that can be ordered through EDI. See BellSouth Br. at 28. But the Commission made abundantly clear that the relevant date for compliance with section 271 is the date of filing. See Michigan Order ¶ 55. If BellSouth were truly attempting to meet the Commission's directives rather than flaunting these requirements for purposes of appeal, it surely would have waited the extra few days and applied only after it had put flow through into place. In any case, there is no evidence that BellSouth has successfully completed the transition to automated flow through.

resale orders. Indeed, 100% of BellSouth's UNE orders require manual processing and most must be transmitted manually.

BellSouth also does not claim to have automated ordering of what it calls complex services (essentially all services other than plain old telephone service). See King Decl. ¶ 119. Although BellSouth claims that four complex services can be ordered via EDI, it acknowledges that even these orders fall out for manual processing. Id. ¶ 125. As for other complex services, including basic business services such as Centrex, or private lines, CLECs must order them through the BellSouth "account team." Id. ¶ 121. The account team is far more integrally involved in the ordering process with respect to the orders it receives than BellSouth employees normally would be even in the processing of manual orders. The account team is not responsible merely for typing CLEC orders into BellSouth's systems. The account team is involved at almost every step of such orders from designing the service through typing the orders. Id. The intricate involvement of BellSouth employees in orders for what will generally be CLEC's biggest customers is hardly a recipe for competition. Id.

Although BellSouth claims that its use of account teams provides parity, the involvement of BellSouth employees in orders for CLEC customers is certainly not equivalent to the involvement of BellSouth employees in orders for BellSouth's own customers. Id. ¶124. Nor does it even involve equivalent steps: a BellSouth customer arranges its complex order directly with the BellSouth account team which then enters the order into BellSouth's automated ordering systems. Id. A CLEC customer, in contrast, arranges its complex order with the CLEC which in turn arranges the order with the BellSouth account team which in turn enters the order. Id. This is not parity. If the CLEC's process were equivalent to BellSouth's, the BellSouth account team

would be eliminated from the process. A CLEC customer would arrange its complex order with the CLEC which would then enter the order into its automated ordering systems. Id.

The most egregious aspect of BellSouth's requirement of substantial CLEC coordination with BellSouth employees in placing complex orders is that it applies to orders for migrating complex services "as-is" and applies to all orders for more than eight lines, including orders for Plain Old Telephone Service (POTS). Id. ¶¶ 120-122. Orders to migrate service as-is involve changing existing BellSouth customers to CLECs with no change in service. The customer could have the most complicated telephone service imaginable and a migration-as-is would involve nothing more than changing the customer's billing from BellSouth to the CLEC. Id. ¶ 122. As a result, none of BellSouth's excuses for failing to automate complex services applies to migrations-as-is. The only explanation for BellSouth's requirement of BellSouth employees manually to process such orders is to ensure that it is not easy for big business customers, those likely to order complex services, to migrate away from BellSouth.

Similarly, BellSouth's decision that all orders for more than eight lines have to go through the BellSouth account teams is an entirely arbitrary one. Again, the only explanation for this requirement is that it significantly slows the processing of the majority of business orders. Once again, BellSouth's decision helps lock in the customers who are potentially the most profitable.

C. BellSouth's Ordering Processes Lead to Loss of Dial Tone.

BellSouth's ordering processes lead to the loss of dial tone for many customers. As explained above, when a customer migrates from BellSouth to a CLEC, BellSouth should treat the order as nothing more than a billing change. There is no work that needs to be done to the

customer's phone line.[10] Instead, however, BellSouth treats the order as two separate orders -- one to disconnect the customer's line and one to reconnect the customer's lines. See King Decl. ¶ 185. As a result, when there is a gap between completion of the first step and completion of the second step, the customer loses dial tone. Id. Out of 540 MCI resale customers, seventeen have reported to MCI that they lost dial tone for some period of time after they were switched to MCI from BellSouth. Id.

BellSouth also acknowledges that its disconnect/reconnect process may cause double billing, because "[a]ny time there are multiple service orders issued in this manner, there is a potential for a timing difference for completion." See Hollett Aff. ¶ 10 (BST App. A, Tab 6). BellSouth further states that at some point in the future it will adopt a new process for migration orders. See id. Once again then, instead of proving what is generally available today, BellSouth discusses what will allegedly be available tomorrow.

D. BellSouth's Lack of System-to-System Interfaces is Discriminatory.

For two major OSS processes, pre-ordering and maintenance and repair, BellSouth offers its LENS and TAFI interfaces respectively. LENS and TAFI are fundamentally deficient on their face, because they are not standard system-to-system interfaces but rather proprietary graphic user interfaces ("GUIs"). System-to-system interfaces are essential for major national carriers such as MCI. A system-to-system interface connects the BOC's systems to the CLEC's systems. When the CLEC enters data into its systems, the data, which needs to be in the BOC's systems as well as

[10] An order to migrate as specified, in contrast to an order to migrate as-is, involves a change in features. The feature change requires only a translation in the switch, not disconnection of the customer.

the CLEC's systems, automatically flows into the BOC's systems. This enables the CLEC's customer service representatives to use only the CLEC's own systems, rather than both the CLEC's systems and the BOC's systems.

Because the CLEC can use its own screens and does not need to use the screens provided by the BOC, the CLEC can use a single set of screens on a national basis, and can compete with the BOC by designing screens superior to those used by the BOC in terms of efficiency and functionality. See King Decl. ¶ 45. Forcing a national CLEC such as MCI to use different screens for each BOC for pre-ordering and maintenance and repair, with different names and codes for features appearing on the screens of each BOC, significantly increases the difficulties for representatives using the multiple systems and substantially escalates the costs for training. Id.

System-to-system interfaces also avert the need for dual data entry. Id. ¶¶ 43-44, 200. Both LENS and TAFI require the CLEC to enter data separately into its own systems and then into the BOC's systems. Such dual data entry wastes time. Id. It also increases errors -- when, for example a CLEC enters and validates an address in LENS, re-typing the address into MCI's systems risks mistakes that lead to order rejection.[11] Id. ¶¶ 44, 200. In contrast, of course, BellSouth representatives only have to enter data into their own systems -- systems designed by BellSouth. Id. ¶ 43.

System-to-system interfaces are more efficient in other ways as well. Because CLEC customer service representatives do not have to use the BOC's systems, they do not have to waste

[11] Some of the required dual data entry could be averted if BellSouth would provide MCI with downloads of its Regional Street Address Guide (RSAG) as it is contractually required to do. Id. ¶ 56. MCI could then integrate the RSAG into its own systems and could avoid using LENS for address validation.

time logging into the BOC's systems in addition to the CLEC's systems. Id. ¶ 46. They can also leave their screens on all day, rather than facing the risk, present with both LENS and TAFI, of being logged out after a certain period of non-use. Id. ¶¶ 46, 51, 201. Finally, system-to-system interfaces reduce the risk of system "down" time which has proven relatively substantial with respect to LENS. Id. ¶¶ 46, 86.

Based on just such reasoning, the Department of Justice, in its comments on SBC's Oklahoma application, emphasized the importance of system-to-system interfaces. See Department of Justice Evaluation, CC Docket No. 97-121, pp. 75-76 ("DOJ Oklahoma Eval."). In fact, even other BOCs have recognized the need of large CLECs for system-to-system interfaces. Ameritech's OSS expert Joseph Rogers, in discussing Ameritech's own Graphic User Interface for maintenance and repair, acknowledged that "[it] is not an interface as such, however, and it cannot be integrated with the CLEC's other information systems. Thus, we expect that it will be useful primarily to small carriers with less fully developed information systems." (Affidavit of Joseph Rogers, Application of Ameritech Michigan, CC Docket 97-298, ¶ 92). Like Ameritech's GUI, BellSouth's LENS and TAFI are not interfaces as such and are completely inadequate to serve the needs of large CLECs such as MCI.

In emphasizing the importance of system-to-system interfaces, the Department of Justice also correctly noted that the industry standards bodies have focused almost exclusively on such interfaces. See DOJ Oklahoma Eval. pp. 75-76. Indeed, neither LENS nor TAFI is an industry standard interface. For maintenance and repair, the system-to-system T1M1 electronic bonding interface, not TAFI, is the industry standard. See King Decl. ¶ 199. BellSouth's claim that its "electronic interfaces meet existing industry standards" is therefore blatantly false. See BellSouth

Br. at 22.[12] BellSouth's contention that it will make T1M1 available in the future again only emphasizes that it has not made T1M1 available today.[13]

For pre-ordering, EDI TCP/IP SSL3 is the interim industry standard. Id. ¶ 41. It is a system-to-system interface. Id. Although final specifications for EDI TCP/IP SSL3 have not yet been released (they are due out early next year), the ECIC Committee reached consensus last February that EDI TCP/IP SSL3 would be the interim standard. Id. ¶¶ 41, 42.[14] Nonetheless, BellSouth has repeatedly refused to meet with MCI even to discuss development of such an interface. Id. ¶ 42.

This Commission has indicated that adoption of industry standards is not necessarily a pre-requisite to meeting the requirements of section 271, and that it might be willing to reconsider that decision sometime in the future. See Michigan Order ¶ 217. MCI continues to believe that adoption of industry standards is of vital importance. Not only do industry standards reflect the consensus of the industry as to what is best, but they also enable national carriers to focus development and training costs on a single interface.[15] See King Decl. ¶¶ 20-25.

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[12] In addition to its failure to offer a T1M1 interface, BellSouth fails to offer industry standard feature identification codes and had not yet made available industry standard CABS BOS billing. See King Decl. ¶¶ 195-98, 209-12.

[13] BellSouth does make T1M1 available for maintenance and repair of a limited number of "designed services," but T1M1 is not currently available for repair of ordinary resold lines or basic unbundled elements such as loops.

[14] The industry has also begun discussing a final industry standard for pre-ordering. The three options being considered are all system-to-system interfaces including EDI TCP/IP SSL3. See King Decl. p.17 n.4.

[15] Although not an issue here, adoption of a proprietary system-to-system interface would not avert the need for industry standards. While a CLEC using different system-to-system interfaces for different BOCS could continue to use a national set of screens, the CLEC would

This Commission does not have to decide this issue today, however. It has already indicated that "the use of industry standards is the most appropriate solution to the needs of a competitive local exchange market." See Michigan Order ¶ 217. And, for reasons already articulated, that view is clearly borne out here. Even aside from their proprietary nature, both LENS and TAFI clearly discriminate against CLECs, because they fail to connect CLEC's systems to BellSouth's systems.

BellSouth implicitly acknowledges the inadequacy of LENS in stating that, "[i]n an effort to make LENS even more useful to larger CLECs, BellSouth has provided to interested CLECs a LENS interface specification that provides data for direct integration into a CLEC's systems. . . . [M]oreover, BellSouth makes available machine-to-machine interfaces for access to pre-ordering." See BellSouth Br. at 26. This is simply inaccurate. The machine-to-machine interface that BellSouth ostensibly "makes available" is one that BellSouth acknowledges two sentences later it "expects to deploy . . . in December 1997." See BellSouth Br. at 26.[16] As for BellSouth's ostensible offer of data for direct integration into CLEC's systems, MCI has repeatedly requested specification to enable it to perform such "integration" and still has not received the up to date specifications that would allow it to do so. See King Decl. ¶ 48. Moreover, the method of "integration" to which BellSouth refers is far inferior to integration using a system-to-system

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still have to expend needless resources developing and updating several interfaces.

[16] This interface called EC-LITE is not, in any case, the interim standard that will soon be finalized by the industry. Nor is it among the interfaces the industry is considering as its final pre-ordering standard. See King Decl. p.17 n.4. Rather, it is an AT&T designed interface that unfairly advantages AT&T over other CLECs. Id. p.18 n.5. Because AT&T helped design this interface, AT&T is far more familiar with this interface than other CLECs and thus can use it more easily. The interface may also have been designed to suit AT&T's particular needs.

interface -- it causes extensive delay in the return of pre-order information, fails to avoid the disadvantages of LENS relative to system down time, and must be changed extensively each time BellSouth modifies its own OSS systems. Id. ¶¶ 49-50, 59. BellSouth cannot therefore escape the inadequacy of LENS by claiming that it offers some theoretical alternative which is itself inferior and which is not in any case ready. Moreover, BellSouth does not even claim that it makes available a similar alternative with respect to TAFI.

E. BellSouth's Operations Support Systems Do Not Work In Practice.

In addition to being deficient on their face, BellSouth's OSS do not work reliably in practice. BellSouth's data are insufficient to demonstrate the operational readiness of its systems, and MCI's data show that those systems are not ready.

BellSouth has only completed 24% of MCI's resale orders by the date that MCI requested (dates requested were generally set by the installation intervals provided by BellSouth). See King Decl. ¶ 147. Indeed, only 69% of the time has BellSouth even completed the orders by the date BellSouth promised on the FOC. Id. ¶ 149. For the other 31% of the orders, BellSouth has missed the date it promised on the FOC by an average of 3.75 days. For its own retail customers, on the other hand, BellSouth meets the due dates the customers requested almost 100% of the time for orders that do not require a dispatch and almost 90% of the time for orders that do require a dispatch. Id. ¶ 148.

Overall, BellSouth has completed MCI's resale orders in an average of 4.56 days. Id. ¶ 173. Even simple orders for change as is, which BellSouth says should be processed the same day if placed by 3:00 or the next day if placed after 3:00, require 2.42 days to process. Id. ¶ 170. Orders for change as specified, which merely require a simple translation in the switch, take an

average of 5.61 days to process. Id. And orders for new installations, most of which do not require a dispatch, take an average of 8.03 days to process. Id. ¶ 172. These figures are actually significantly less than the real figures, because they do not even include the 5% of MCI orders which show as "pending" in BellSouth's systems; these orders have been pending on average for almost 19 days. Id. ¶¶ 158, 170. BellSouth does not provide exactly comparable figures for its retail customers, and the figures it does present seem highly dubious, id. ¶ 166, but even these figures show superior performance for retail customers than for MCI -- 1.6 days to process what BellSouth calls "change orders non-dispatch" for its residential retail customers in August (presumably roughly comparable to a combination of change as is orders and change as specified orders for CLECs), 4.0 days for new installations non-dispatch, and 6.8 days for new installations dispatched. Id. ¶¶ 170, 173.

In addition to resale orders, MCI has placed orders for loop/port combinations -- which BellSouth treats as orders for resold plain old telephone service. For these orders, MCI has less information than its ordinary resale orders. BellSouth has failed to provide any completion notices on these orders, and, even when MCI called BellSouth to obtain the information, BellSouth was only willing to provide information on a relatively few orders. Id. ¶ 154. The limited information that MCI does have, however, indicates that BellSouth is missing the requested due date, and even the date promised on the FOC, on a high percentage of orders. Id. ¶ 155. On some orders, many of which were placed weeks ago, BellSouth has failed even to send MCI a FOC, suggesting that these orders are still pending in BellSouth's systems. Id.

BellSouth presents its own data in an attempt to show that its performance with respect to CLECs is at parity with its performance with respect to its retail customers. BellSouth's data are

radically inconsistent with MCI's data, casting BellSouth's data into extreme doubt. In any case, BellSouth's data is flawed on its face and fails to show parity.

BellSouth fails to explain the categories of measurements it uses and what orders fall within each category. Id. ¶¶ 144, 164, 167. BellSouth appears to have included in some of these categories orders that do not belong, an error that would significantly impact the value of the measurements. Id. ¶ 144. Moreover, some of the measurements that BellSouth does explain measure the incorrect interval. For example, BellSouth measures average installation intervals from a point after any manual processing has occurred to a point before the order has completed. Id. ¶ 163.

In any case, BellSouth's own, highly dubious data, even if taken at face value, do not show parity. BellSouth attempts to obfuscate this by counting categories of orders for which it allegedly performs better for CLECs and categories of orders for which it performs better for its retail customers. But this ignores the fact that by far most of the resale orders BellSouth has processed to date, and therefore the orders for which BellSouth's data is most likely to be accurate, are change orders. Id. ¶¶ 168, 178. Change orders are residential resale service that do not require a dispatch. In this category, BellSouth consistently performs better for its retail customers than for CLECs. Id. ¶¶ 169, 178. Moreover, BellSouth's performance towards its retail customers is much more consistent than its performance towards CLECs. Id. ¶ 177.

In addition, BellSouth's general ordering data cannot show the operational readiness of BellSouth's EDI interface. BellSouth's ordering data includes orders placed through LENS and manual interfaces as well as through EDI. This data then cannot show the readiness of EDI. Id. ¶ 102. Yet BellSouth presents no other data sufficient to show the readiness of EDI. Although

BellSouth relies exclusively on EDI to support its claim that it offers non-discriminatory access to ordering, and states that EDI is in commercial use, BellSouth presents no data showing that the commercial use has been successful. Id. ¶¶ 100-02. Indeed, BellSouth fails even to present data showing successful testing of EDI with CLECs. Id. BellSouth does present some internal test data on EDI, but not only is internal test data insufficient, the particular data presented lacks sufficient explanation to be meaningful. Id. ¶¶ 103-05.

BellSouth's failure to present evidence showing EDI is operationally ready is probably explained by the fact that it is not. BellSouth first made that interface "available" ten months ago. Id. ¶ 91. It necessarily takes time for CLECs, working with BellSouth, to then develop their side of the EDI interface. Id. The inherently lengthy development process was extended here, at least for MCI, because of BellSouth's inadequate documentation and ever-changing positions on what its interface would support. Id. ¶¶ 93-96. It was only at the beginning of September that MCI and BellSouth succeeded in establishing an EDI interface between them that could be used to begin testing. Id. ¶ 97. As a result, at least if MCI's experience is typical, BellSouth still has had very limited experience with its EDI interface -- certainly not enough experience to iron out the inevitable implementation problems. Indeed, MCI's early testing with BellSouth has revealed significant "mapping" problems which, if uncorrected, would lead to the erroneous rejection of MCI orders. Id. ¶¶ 106-110. Even though MCI mapped correctly to BellSouth's documentation, six of the eight test cases MCI has sent so far all have been rejected -- and, it is already apparent that these same problems would lead to the rejection of all but one of the planned test cases. Id. ¶ 111. Thus, testing has essentially come to a halt while BellSouth and MCI work out solutions to these problems. Id. ¶¶ 111-12. If any other CLEC has managed to place EDI orders successfully,

BellSouth must have worked out these problems specifically with that CLEC but failed to make the solutions generally available. BellSouth's EDI interface, therefore, is not operationally ready.

BellSouth's failure to present data showing the operational status of its EDI interface is mirrored by its failure to provide other essential data. BellSouth fails to provide performance data for any unbundled elements other than loops. Even for loops, BellSouth fails to provide either the data on average installation intervals or the data on comparative performance for analogous retail functions that this Commission has required. Michigan Order ¶ 212; King Decl. ¶ 182. BellSouth also fails to provide data showing parity with respect to ordering of complex services. King Decl. ¶ 183. And, as discussed above, it fails to present data on the timely return of rejection notices, FOCs, jeopardies, and completion notices. BellSouth has therefore failed to show that its systems work as advertised, and as required to serve CLECs on reasonable, nondiscriminatory terms.

F. The Functionality Provided Through LENS is Discriminatory.

BellSouth's discriminatory provision of pre-ordering information extends beyond its failure to provide a system-to-system interface. BellSouth also chooses to discriminate in the information and functionality it makes available through LENS and the manner in which LENS makes it available. The ways in which it discriminates are almost too numerous to catalog:

•A CLEC using LENS' "inquiry" mode must validate the customer's address each time he accesses any of the pre-order functions. King Decl. ¶ 51. A BellSouth representative only has to validate the address one time.[17] Id. ¶ 52.

[17] LENS has both an "inquiry" mode and a "firm order" mode. Although the CLEC can avoid the need for multiple address validation by entering the "firm order" mode, the firm order mode requires a CLEC to enter unnecessary ordering information and to access each pre-order function sequentially even if the CLEC only desires to use two or three of the pre-order

•A CLEC using LENS does not have access to much of the Customer Service Record (CSR) information available to BellSouth representatives. Id. ¶¶ 60-61. CLECs using LENS do not, for example, have access to a customer's payment history -- information MCI needs in order to determine the size of a deposit a customer must make to order phone service.[18] Id. ¶ 60.

•A CLEC using LENS must proceed through each step in LENS' number reservation function in order to reserve a phone number. Id. ¶ 65. BellSouth representatives can simply accept a number pre-selected by the pre-ordering system if this is acceptable to the customer. Id. A CLEC using LENS can only reserve a maximum of six telephone numbers in one LENS session; LENS therefore is extremely cumbersome for use with a big customer. Id. ¶ 63. A CLEC reserving a phone number in LENS has no way to view, and hence no way to offer its customer, a choice of NXX codes. Id. ¶ 66. A BellSouth representative can easily view such codes and offer the customer a choice among them. Id.

•A CLEC using LENS can only reserve a phone number for nine days. Id. ¶ 67. BellSouth can hold an order, including the number associated with the order, for 30 days. Id. A CLEC cannot guarantee that its customers will receive the telephone number given them on the phone; BellSouth appears, despite its claim to the contrary, to make such guarantees. Id. ¶ 68. A CLEC can determine whether a vanity number (e.g. CALLMCI) is available by typing that

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functions. This is because the firm order mode is really designed for a CLEC that intends to use LENS for both pre-ordering and ordering. The firm order mode is therefore extremely cumbersome for a CLEC that intends to use LENS only for pre-ordering and to use EDI for ordering. King Decl. p.23 n.7; p.32 n.12.

[18] BellSouth has cited no legal impediment to provision of such information. BellSouth does claim that some of the information in the CSR is not needed by CLECs. But it not should not be up to BellSouth to decide that some information, to which it, of course, has access itself, is not needed by its competitors. Id. ¶ 61.

number into LENS, but the CLEC has no access to a list of reserved vanity numbers which could be used to suggest possible numbers to a customer. BellSouth does not disclaim access to such a list in its application. Id. ¶ 69.

•A CLEC cannot use LENS to obtain due dates for any service that will be provided using unbundled elements. Id. ¶ 71. A CLEC representative using LENS' "inquiry" mode to obtain a due date must make extensive calculations based on three sets of information provided on the screen; a BellSouth representative using BellSouth's residential pre-ordering system, RNS, receives a pre-calculated due date that is highlighted on-screen. Id. ¶¶ 74-75.

•A CLEC representative using LENS' "firm order" mode to obtain a due date must first enter ordering information and then proceed through each pre-ordering function sequentially even if the CLEC only intends to use one of these functions. See n. 17, above. Additionally, the due date calculator in LENS' firm order mode does not function correctly, according to a letter BellSouth sent to CLECs. King Decl., ¶ 73, Att. 14. BellSouth has sent no subsequent letter indicating that the problem has been fixed.

•A CLEC representative has no way to determine if service was ever established at an address. A BellSouth representative, to the best of MCI's understanding, can do so. Id. ¶ 76. If service has been established at an address, the representative can then reasonably assume that facilities exist at the address and that a technician will not have to be dispatched to provide service. The BellSouth representative can then quote the customer a due date of that day or the next day. Id. The CLEC representative, in contrast, has no basis on which to assume that facilities exist at an address and must therefore provide a due date based on the contrary assumption -- that dispatch of a technician will be required.

• A CLEC using LENS cannot ascertain whether the customer is subject to local taxes; BellSouth's pre-ordering systems automatically determine the customer's local tax status and populates this information on the order. Id. ¶ 82.

• A CLEC using LENS cannot see what promotions BellSouth is offering. BellSouth representatives can see this information. Id. ¶ 83. This information is certainly relevant to MCI which has a right to resell promotions. BellSouth's simple assertion that promotions are not pre-ordering information cannot hide the fact that BellSouth representatives receive this information at the pre-ordering stage and CLEC representatives do not.

•A CLEC using LENS must scroll through lists of PICs and features to determine if the customer's desired PIC or feature is available; BellSouth representatives can simply type in the desired PIC or feature. Id. ¶¶ 78, 80.

•A CLEC such as MCI that receives downloads of feature availability information from BellSouth, rather than using LENS, remains at a disadvantage compared to BellSouth's own systems. The downloads fail to contain the Universal Service Order Codes (USOCs) for each feature. Id. ¶ 79. Relying on potentially outdated written guides is inferior access.

•BellSouth fails to provide access to three functions the industry's Ordering and Billing Forum has agreed are important pre-ordering functions: (1) block of direct inward dial (DID) numbers inquiry; (2) DID trunk inquiry; and (3) unbundled network element service provider inquiry. Id. ¶ 84.

Thus, LENS is cumbersome to use, fails to provide functionality important to CLECs, and is inferior to BellSouth's own pre-ordering systems in innumerable ways. It does not meet the requirements of section 271.

G. BellSouth's Process of Change Management Is Wholly Inadequate.

BellSouth fails to provide CLECs adequate, or often any, notice of changes to its systems. For example, BellSouth did not notify MCI's business units until September that it made changes to its EDI interface in July, although BellSouth's OSS witness noted the changes in state section 271 proceedings (reflecting BellSouth's priorities). King Decl. ¶ 191. Similarly, MCI has generally learned of changes to LENS during section 271 proceedings, and BellSouth has not affirmatively acted to provide MCI's business units with any notice of the changes to LENS. Id. ¶ 190.

Often BellSouth does not update its documentation at all or fails to provide adequate documentation to begin with. LENS documentation has not been updated since June despite numerous subsequent changes to LENS. Id. Even today, BellSouth's Resale Ordering Guide states that all complex services, including those that can now in theory be ordered via EDI, must be ordered via the BellSouth account team. King Decl. ¶¶ 189, 191.

To date, BellSouth's failure to notify MCI of changes to its systems and inadequate documentation has slowed MCI development and caused minor glitches in the use of LENS. But as the volume of MCI's orders increase and as BellSouth's changes require corresponding changes at MCI's end of the interface, BellSouth's inadequate process of change management is likely to prove disastrous. If, for example, BellSouth makes changes to the fields that must be filled in on an EDI order and fails to give CLECs sufficient time to adjust their systems, CLEC orders will be routinely rejected. King Decl. ¶ 192. BellSouth must therefore adopt a systematic process of change management before it is allowed entry into in-region long distance.

H. Only the Carrot of Long Distance Entry Prompts Changes to BellSouth Behavior.

The substantial OSS problems discussed above continue today, rendering BellSouth's OSS grossly inadequate. Although BellSouth has not corrected these serious deficiencies, it has corrected a few other OSS problems, but only after CLECs complained in state 271 proceedings. After MCI raised problems with BellSouth's billing during these proceedings, for example, BellSouth promised to fix these problems in September (previously, BellSouth claimed that it could not fix the problems until the end of the year). King Decl. ¶ 214. (BellSouth still has not fixed all of the billing problems. Id. ¶ 215). And it was only during the course of these proceedings that BellSouth promised to cease sending retention letters to CLEC customers before the customer had even been switched to the CLEC. Id. ¶ 187. Similarly, it was only in the course of section 271 proceedings that MCI received updates to LENS documentation. Id. ¶ 190. Indeed, the very fact that MCI has learned about these systems changes through the state proceedings rather than through business channels indicates that they are driven by regulatory concerns, not business ones. Whether BellSouth will now correct the innumerable OSS deficiencies that continue to plague CLECs remains to be seen, but it is apparent it will not do so without regulatory pressure.

III. BELLSOUTH'S APPLICATION IS FACIALLY DEFICIENT BECAUSE COST-BASED PRICES HAVE NOT BEEN ESTABLISHED.

BellSouth's application is also premature because network elements are not priced at cost-based rates, as required under sections 271(c)(2)(B) and 271(c)(3)(A). The prices submitted in BellSouth's SGAT are temporary prices subject to change when the SCPSC determines permanent prices, as BellSouth expressly admits. Varner Aff. ¶¶ 27-28. Hearings in the SCPSC's price

docket are not scheduled to begin until December, with an order setting permanent prices expected by January 20, 1998. Thus, the prices BellSouth submits with its application suffer from the same infirmity that this Commission and the Department of Justice noted with respect to the Ameritech Michigan submission rejected in August. Michigan Order ¶ 294; DOJ Ameritech Eval. at 41-42.

Interim prices fail to meet the standards set forth in section 271(c)(2)(B) of the Act, which requires BellSouth to offer cost-based rates at the time of its application. Where final rates remain unknown, the Commission has no basis for determining whether they eventually will be cost-based as required by the Act. BellSouth itself has no incentive whatsoever to cooperate in the setting of cost-based prices if and when its application to provide in-region interLATA services is granted. DOJ Ameritech Eval. at 42. Further, interim prices frustrate Congress' purposes by impeding competition. CLECs are necessarily reluctant to commit resources to enter the local market on a large scale when a condition as important as pricing of unbundled elements is uncertain.

Moreover, BellSouth's SGAT fails to offer even interim rates for key services. For example, the SGAT states that unbundled elements will be provided to CLECs that have collocation equipment at those facilities, when "reasonably possible." SGAT § II.F.1. When provision at a collocated facility is not feasible, or when CLECs are not collocated, BellSouth will recombine unbundled elements "as negotiated." Varner Aff. ¶ 9. The SGAT is completely silent as to what the rates will be.[19] This is a critical omission given (1) BellSouth's refusal to provide

[19] In the SGAT BellSouth originally submitted to the SCPSC, it offered recombined elements solely as resale services -- at one of the smallest wholesale discounts in the country (14.8%) -- and not as unbundled elements. After the SCPSC approved the SGAT in this form, BellSouth submitted revisions in response to the decision in Iowa Utilities Board v. FCC, 120

elements in combination; (2) BellSouth's failure to specify how it would provide reasonable, nondiscriminatory and cost-based access to its network so CLECs can combine elements; and (3) the Eighth Circuit's recent ruling vacating section 51.315(b) of the Commission's regulations.

In addition, and not unexpectedly, none of BellSouth's temporary prices complies with the principles that the Commission adopted in its Local Competition Order and the Michigan Order. None of these prices was determined on the basis of a TELRIC cost study. Indeed, BellSouth challenges the basic notion of determining costs using TELRIC methodology. Varner Aff. ¶ 29. Instead, the prices have been borrowed from a variety of sources. Some are from existing tariffs. Varner Aff. ¶ 31. Some are prices negotiated by BellSouth in other states. At least one is an interim price from a different state, which that state's own commission determined was not cost-based. Some of the local transport prices derive from the proxy rates this Commission proffered as interim ceilings until cost-based prices meeting the checklist could be determined. Finally, many of the prices are negotiated rates between BellSouth and ACSI that the SCPSC adopted as interim prices, subject to true up when proper cost studies were submitted and reviewed. See

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F.3d 753 (8th Cir. 1997). Those revisions made clear that BellSouth intended to charge CLECs for combining unbundled elements, but did not include even an indication of what those charges would be. Varner Aff. ¶ 9. Similarly, BellSouth had initially offered vertical services only as resale services, but revised its SGAT in response to the Eighth Circuit's decision. BellSouth is temporarily offering vertical services without charge to CLECs that purchase unbundled switching, but has made clear that "[r]eplacement rates for local switching including vertical features will be established in a subsequent proceeding." Id. ¶ 10. Again, BellSouth offers no information as to what the rates for vertical services may be, or even what rates it intends to propose to the SCPSC. Cf. Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order ¶ 414, CC Docket No. 96-98, FCC 96-325 (rel. Aug. 8, 1996) ("Local Competition Order") (vertical features add virtually no cost over and above the cost of an unbundled switch), aff'd in part, rev'd in part, Iowa Util. Bd. v. FCC, 120 F.3d 753 (8th Cir. 1997).